

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7458

BILL NUMBER: SB 1

NOTE PREPARED: Feb 4, 2015

BILL AMENDED: Feb 3, 2015

SUBJECT: State Board of Education Governance.

FIRST AUTHOR: Sen. Holdman

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

**FUNDS AFFECTED: X GENERAL
DEDICATED
FEDERAL**

IMPACT: State

Summary of Legislation: (Amended) This bill makes changes to the composition of the State Board of Education. It provides that the State Board may hire staff and administrative support. It provides that the State Board shall meet at least once every six months and at the call of the chairperson. It provides that the State Board shall elect a chairperson annually from the members of the State Board. It requires the chairperson to provide notice of a State Board meeting and make the agenda for the State Board meeting available on the State Board's and the Department of Education's Internet web sites at least 14 days before the meeting.

The bill provides that a member of the State Board may submit a request to the chairperson to amend the agenda at least 7 days before the State Board meeting. It provides that if the chairperson does not respond or refuses to amend the State Board's agenda, the agenda may be amended to include the agenda item requested at the current or subsequent State Board meeting with a majority vote of the State Board. It provides that the State Board may not take official action on an agenda item added at the current meeting until the next subsequent State Board meeting.

Effective Date: Upon passage.

Explanation of State Expenditures: *Summary: Meeting Agendas* - Meeting agendas are currently posted on the State Board's web site; posting the agenda on the web site of the Department of Education should be within the agency's resources.

State Board Director/Staff - The bill authorizes the State Board to hire an executive director and the staff necessary to carry out its duties. The bill also requires the State Board to be funded by an appropriation from

the General Assembly. From FY 2012 to FY 2014, the State Board received an average annual appropriation of \$3.5 M with average annual expenditures of \$2.3 M.

(Revised) *Legislative Services Agency (LSA)* - Subject to the approval by the Legislative Council, the bill authorizes the State Board to request that LSA conduct one or more audits or evaluations of federal or state supported education programs. LSA could require up to 2 to 4 additional employees to fulfill this role, depending on the volume and complexity of work involved. Annual salary and fringe benefit cost could range from \$198,000 (for 2 employees) to \$396,000 (for 4 employees), with annual rental cost of space potentially ranging from \$7,500 to \$9,000 for 500-600 square feet of office space.

The estimate is based on personnel time required for LSA to perform periodic work relating to State Board matters in 2013 and 2014 and assumes this level of work on an ongoing basis throughout the year.

[Note: The Center for Education and Career Innovation (CECI) has had oversight responsibility and provided staff assistance to the State Board since August 2013 under Executive Order 13-21. The Department of Education has continued to provide staff assistance to the State Board as needed. Under Executive Order 14-11, CECI will be abolished on or before February 20, 2015, and its administrative responsibilities will be returned to the agencies that fulfilled those responsibilities prior to Executive Order 13-21.]

(Revised) *Additional Information:* The State Board of Education is composed of 11 members, including the State Superintendent of Public Instruction, who is the chairperson. The remaining 10 members are appointed by the Governor to represent each of the nine congressional districts and one member at-large. No more than 6 of the members may be from the same political party, and 4 of the members must be licensed educators currently employed in an Indiana school.

Under current State Board operating procedures, the chairperson has to provide a written agenda to State Board members and staff at least five business days before a State Board meeting. Requests to add items that require final action by the State Board must be submitted at least seven business days before a State Board meeting, but could be later if the chairperson and three members approve.

Beginning July 1, 2015, this bill changes the composition of the State Board. The total number of members has been reduced from 11 to 9; the Governor would appoint 4 members instead of 10; 4 members would be appointed by the officers of the General Assembly. Members of the State Board would elect a chairperson each year. The first election would be at the first meeting of the State Board after June 30, 2015. The state superintendent would serve as the chairperson of the State Board at the first meeting.

Under the bill, a written agenda has to be published on the web sites of the State Board and the Department of Education at least 14 days before the State Board meeting. Requests to amend the agenda must be submitted at least 7 days before the State Board meeting, subject to approval of the chairperson. If the chairperson denies the request to amend the agenda, the agenda may be changed by an affirmative vote of the majority of the members.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Superintendent of Public Instruction; Office of the Governor; State Board of Education; General Assembly; Department of Education; Legislative Services Agency; Center for Education and Career Innovation; Legislative Council.

Local Agencies Affected:

Information Sources: Robert Guffin, Executive Director, State Board of Education, 317-232-0516.

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